

**A Hew Chai Seng (t/a Pertiland Trading Co) v Metronic
Integrated System Sdn Bhd & Anor**

**B HIGH COURT (KUALA LUMPUR) — CIVIL SUIT NO 22IP-8-02 OF
2014
AZIZAH NAWAWI J
20 SEPTEMBER 2016**

**C *Tort — Passing off — Elements of — Whether defendants used plaintiff's
registered trademark on its products and advertisement — Whether tort of passing
off proven***

**D *Trade Marks — Infringement of — Registered trademark and passing off
— Whether defendants used plaintiff's registered trademark on its products and
advertisement — Whether defendants entitled to use mark as it was common word
— Whether tort of passing off and unlawful interference with trade proven
— Trade Marks Act 1976 s 38***

**E The plaintiff was the owner of a trademark called 'FERTI' which was registered
in Class 1 for fertilisers on 19 March 1983 and Class 16 for materials relating
to advertising and promotional purposes on 6 March 1993. Dispute arose
when the plaintiff discovered that the defendants had been using the 'FERTI'
trademark in the defendants' advertisements in national newspapers and their
website. The plaintiff then sent a cease and desist letter to the defendants
requesting them to stop using the plaintiff's registered 'FERTI' trademark, but
to no avail, hence the present suit. In the present suit, the plaintiff sued the
defendants for: (a) trademark infringement under s 38 of the Trade Marks Act
1976 ('the TMA'); (b) the common law tort of passing off; and (c) the tort of
unlawful interference with trade. The issues for determination were: (i)
whether the defendants had used the 'FERTI' trademark; (ii) whether 'FERTI'
was a common word used by everyone on the fertiliser industry as to entitled
the defendants to use the said mark; and (iii) whether the tort of passing off and
unlawful interference with trade proven.**

Held, allowing the plaintiff's claim with costs:

**I (1) The defendants had used the word mark 'FERTI' on and in relation to
their fertiliser products and its advertisement as well as on the same goods
and in the same trade, which was fertiliser business. Thus, the plaintiff's
registered trademark had been used by the defendants, and this
amounted to trademark infringement. In addition, the defendants had
failed to establish that the word 'FERTI' had become so public that a**

large number of people had all been using the said mark in respect of fertilisers. Based on Malaysia Agribusiness Directory relied upon by the defendants, the use of the word 'FERTI' was neither common nor widespread in the fertiliser industry and business (see paras 17 & 22).

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- (2) On the facts, the plaintiff had the necessary good will and reputation as he had been trading, distributing, supplying, offering for sale and selling its 'FERTI' trademarked fertiliser goods since 1932 which sales had reached RM25m. In addition the 'FERTI' advertisements also appeared, inter alia, in national newspapers, in exhibitions, on labels, posters, stickers, leaflets, decorative boxes, pamphlets, packaging which were all directed to Malaysian customers. There was also misrepresentation by the defendants as their fertiliser products and advertisement bore the word 'FERTI' (see paras 29–30).

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- (3) Further, the use of the word 'FERTI' by the defendants had created the likelihood of confusion and deception to the customers because it gave the false impression that the defendants were the registered owner of the mark. It was also not in dispute that the parties were in competition with one another, thus damages were readily inferred. Based on the reasons, the plaintiff's claim of passing off was established on balance of probabilities (see paras 33, 37–38, 42 & 44).

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- (4) Since the defendants had committed trademark infringement and passing off, the defendants therefore had unlawfully interfered with the plaintiff's trade and business. On totality, the plaintiff had established his case on the balance of probabilities (see paras 45 & 48).

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[Bahasa Malaysia summary]

Plaintif ialah pemilik tanda niaga bernama 'FERTI' telah berdaftar dalam Kelas 1 untuk baja pada 19 Mac 1983 dan Kelas 16 untuk bahan-bahan yang berkaitan dengan tujuan pengiklanan dan promosi pada 6 Mac 1993. Pertikaian timbul apabila plaintif mendapati bahawa defendan telah menggunakan tanda niaga 'FERTI' dalam iklan defendan-defendan dalam akhbar-akhbar tempatan dan laman web mereka. Plaintif kemudian telah menghantar surat memberhentikan dan berhenti kepada defendan-defendan meminta mereka untuk berhenti menggunakan tanda niaga berdaftar 'FERTI' plaintif, tetapi tidak berjaya, justeru guaman ini. Dalam guaman ini, plaintif telah menyaman defendan-defendan untuk: (a) pelanggaran tanda niaga di bawah s 38 Akta Cap Dagangan 1976 ('ACD'); (b) tort common law kelirupaan; dan (c) tort gangguan perniagaan yang menyalahi undang-undang. Isu-isu untuk ditentukan adalah: (i) sama ada defendan-defendan telah menggunakan tanda niaga 'FERTI' itu; (ii) sama ada 'FERTI' adalah perkataan biasa yang digunakan oleh semua orang dalam industri baja untuk memberi hak kepada defendan-defendan untuk menggunakan tanda tersebut; dan (iii)

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A sama ada tort kelirupaan dan gangguan perniagaan yang menyalahi undang-undang telah dibuktikan.

Diputuskan, membenarkan tuntutan plaintif dengan kos:

- B (1) Defendan-defendan telah menggunakan perkataan tanda 'FERTI' pada dan berkaitan dengan produk-produk baja mereka dan iklan-iklannya dan juga pada barangan sama dan dalam perniagaan yang sama, iaitu perniagaan baja. Oleh itu, tanda niaga berdaftar plaintif telah digunakan oleh defendan-defendan, dan ini merupakan pelanggaran tanda niaga.
- C Tambahan pula, defendan-defendan telah gagal untuk membuktikan bahawa perkataan 'FERTI' telah menjadi perkataan awam sehinggakan sebilangan besar orang telahpun menggunakan tanda tersebut berkaitan baja itu. Berdasarkan Direktori Perniagaan Tani Malaysia yang digunakan oleh defendan-defendan, penggunaan perkataan 'FERTI' bukan biasa atau meluas dalam industri dan perniagaan baja (lihat perenggan 17 & 22).
- D (2) Berdasarkan fakta, plaintif mempunyai niat baik dan reputasi yang perlu kerana dia telah berniaga, mengedar, membekal, menawarkan untuk jualan atau menjual barangan baja 'FERTI' tanda dagangnya niaga sejak 1932 yang mana jualan telah mencapai RM25 juta. Selain itu iklan-iklan 'FERTI' juga muncul, antara lain, dalam akhbar-akhbar tempatan, dalam pameran, pada label, poster, pelekat, leaflet, kotak hiasan, risalah, pembungkusan yang semua ditujukan kepada pelanggan Malaysia. Terdapat juga gambaran yang salah oleh defendan kerana produk baja dan iklan mereka mempunyai perkataan 'FERTI' (lihat perenggan 29–30).
- E (3) Selanjutnya, penggunaan perkataan 'FERTI' oleh defendan-defendan telah mewujudkan kebarangkalian kekeliruan dan penipuan kepada pelanggan kerana ia memberikan gambaran palsu bahawa defendan adalah pemilik berdaftar tanda itu. Ia juga tidak dipertikaikan bahawa pihak-pihak itu bersaing antara satu sama lain, dengan itu ganti rugi telah sedia dibuat. Berdasarkan sebab-sebab itu, tuntutan plaintif untuk kelirupaan telah dibuktikan atas imbalan kebarangkalian (lihat perenggan 33, 37–38, 42 & 44).
- G (4) Oleh kerana defendan-defendan telah melakukan pelanggaran tanda niaga dan kelirupaan, defendan-defendan dengan itu telah mengganggu dengan menyalahi undang-undang dengan dagangan dan perniagaan plaintif. Secara keseluruhan, plaintif telah membuktikan kesnya atas imbalan kebarangkalian (lihat perenggan 45 & 48).]
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Notes

For cases on elements of passing off, see 12(2) *Mallal's Digest* (5th Ed, 2015) paras 2255–2264.

For cases on infringement of registered trademark and passing off, see 12(2) *Mallal's Digest* (5th Ed, 2015) paras 2686–2706. A

Cases referred to

- AG Spalding Brothers v AW Gamage Ltd* (1915) 32 RPC 273, HL (refd) B
Acushnet Company v Metro Golf Manufacturing Sdn Bhd [2006] MLJU 412; [2006] 7 CLJ 557, HC (refd)
Boord and Son v Thom and Cameron Ltd (1907) 24 RPC 697, CA (refd)
Ford v Foster (1872) LR 7 Ch App 611, CA (refd)
Ho Tack Sien & Ors v Rotta Research Laboratorium SpA & Anor [2012] MLJU 1192; [2012] 8 CLJ 645, CA (refd) C
Leo Pharmaceutical Products Ltd A/S (Lovens kemiske Fabrik Produktionsaktieselskab) v Kotra Pharma (M) Sdn Bhd [2009] 5 MLJ 703, HC (refd)
Megnaway Enterprise Sdn Bhd v Soon Lian Hock (sole proprietor of the firm Performance Audio & Car Accessories Enterprise) [2009] 3 MLJ 525; [2009] 8 CLJ 130, HC (refd) D
Premier Luggage and Bags Ltd v Premier Co (UK) Ltd and another [2002] EWCA Civ 387, CA (refd)
Reckitt and Colman Products Ltd v Borden Inc and others [1990] 1 All ER 873; [1990] 1 WLR 491, HL (refd) E
Seet Chuan Seng & Anor v Tee Yih Jia Foods Manufacturing Pte Ltd [1994] 2 MLJ 770; [1994] 3 CLJ 7, SC (refd)
Sinma Medical Products (M) Sdn Bhd v Yomeishu Seizo Co Ltd & Ors [2004] 4 MLJ 358; [2004] 3 CLJ 815, CA (refd)
The Commissioners of Inland Revenue v Muller & Co's Margarine, Limited [1901] AC 217, HL (refd) F
Tohtonku Sdn Bhd v Suparace (M) Sdn Bhd [1992] 2 MLJ 63; [1992] 1 CLJ Rep 344, SC (refd)

Legislation referred to G

Trade Marks Act 1976 ss 3(2), 35(1), 38, 38(1), (1)(a)

PC Kok (PC Ng with him) (PC Kok & Co) for the plaintiff.
Muhd Fairuz (Dir Kheizwan and Manjit Singh Sachdev with him) (Mohammad Radzi & Partners) for the defendants. H

Azizah Nawawi J:

INTRODUCTION I

[1] The plaintiff's claim against the defendants is for:

- A (a) trademark infringement under s 38 of the Trade Marks Act 1976 ('the TMA 1976');
(b) the common law tort of passing off; and
(c) the tort of unlawful interference with trade.

B THE SALIENT FACTS

- [2] The plaintiff is the registered proprietor of the trademark No MB099122 in Class 1 for 'FERTI', and trademark No 93001433 in Class 16, also for 'FERTI' under the TMA 1976. A sample of the plaintiff's 'FERTI' trademark is as follows:



- [3] The plaintiff trades in the name and style of Fertiland Trading Co ('Fertiland'). Fertiland was established on 1 October 1982. Since 1982, Fertiland has been involved in the business of manufacturing, distribution, supplying, trading and selling fertiliser goods.

- [4] In the course of its trade, Fertiland has coined, invented and uses a particular trademark called FERTI. The FERTI trademark has been registered since 19 March 1983. The FERTI trademark is registered in Class 1 for fertilisers and its registration has been renewed until 19 March 2024.

[5] Fertiland also registered the FERTI trademark in Class 16 for materials relating to advertising and promotional purposes on 6 March 1993 under trademark registration No 93001433 and this trademark registration has been renewed until 6 March 2020.

[6] The plaintiff has discovered the defendants have been using the 'FERTI' trademark in the defendants' advertisements and promotions offering for sale the defendants' Ferti branded fertiliser goods. The defendants' advertisements and promotions appear in national newspapers such as the *Sin Chew Jit Poh* newspapers on the 28 August 2013 and 28 September 2013 as well as in the AGRI Farm magazine in the November 2013 edition.

[7] The plaintiff has also discovered that the defendants have also used the 'FERTI' trademark in the defendants' website advertising the defendants' Ferti trademark fertilisers for sale on the 28 August 2013, 19 November 2013, 20 February 2014 and 23 July 2014.

[8] From the defendants' website, it shows that the defendants is trading in fertiliser product bearing the 'Ferti' trademark. The defendants' Ferti trademarked products are used in the following manner — Ferti 99, Ferti 100 and Ferti 101. The defendants' fertilisers products bearing the 'Ferti' trademarks are as follows:



[9] The plaintiff then sent a cease and desist letter to the defendants on the 12 December 2013, inter alia, requesting the defendants to stop using the plaintiff's registered 'FERTI' trademark. When the defendants refused to stop using the trademark 'Ferti', the plaintiff filed the present suit on 25 February 2014.

A THE FINDINGS OF THE COURT

Trademark infringement

B [10] The plaintiff's first cause of action is premised on trademark infringement under s 38 of the TMA 1976, which provides that:

38 Infringement of a trade mark

C (1) A registered trade mark is infringed by a person who, not being the registered proprietor of the trade mark or registered user of the trade mark using by way of permitted use, uses a mark which is identical with it or so nearly resembling it as is likely to deceive or cause confusion in the course of trade in relation to goods or services in respect of which the trade mark is registered in such a manner as to render the use of the mark likely to be taken either —

- D** (a) as being use as a trade mark;
- (b) in a case in which the use is use upon the goods or in physical relation thereto or in an advertising circular, or other advertisement, issued to the public, as importing a reference to a person having the right either as registered proprietor or as registered user to use the trade mark or to goods with which the person is connected in the course of trade.

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[11] In the case of *Tohtonku Sdn Bhd v Superace (M) Sdn Bhd* [1992] 2 MLJ 63; [1992] 1 CLJ Rep 344, the Supreme Court explained the application of s 38(1) of the TMA 1976 at p 65 (MLJ); p 346/c (CLJ):

F Under s 38 of the Trade Marks Act, a registered trade mark is infringed by a person who uses a mark which:

- (a) is identical with it; or
- (b) so nearly resembling it as is likely to deceive; or
- G** (c) so nearly resembling it as is likely to cause confusion.

H [12] It is not in dispute that the plaintiff is the registered owner of trademark registration No M/B99122 (or now MB099122) and trademark registration No 93/01433 (or now 93001433). A summary of the details of the plaintiff's said two registered trademarks are as follows:

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Trademark	Registration No.	Date of Registration	Goods
FERTI	M/B99122 (MB099122)	19/3/1983	Class 1: Fertiliser
	93/01433 (93001433)	6/3/1993	Class 16: Printed matter, paper articles, printed materials for advertising or promotional purposes, brochures, catalogues, booklets, publications, pamphlets, leaflets

[13] It is also not in dispute that the registration of the plaintiff's 'FERTI' trademarks in Class 1 and in Class 16 gives the plaintiff the exclusive right to use the said 'FERTI' trademark in Class 1 and 16 to the exclusion of others pursuant to s 35(1) of the TMA 1976, which reads:

35 Rights given by registration

(1) Subject to the provisions of this Act, the registration of a person as registered proprietor of a trade mark (other than a certification trade mark) in respect of any goods or services shall, if valid, give or be deemed to have been given to that person the exclusive right to the use of the trade mark in relation to those goods or services subject to any conditions, amendments, modifications or limitations entered in the Register.

[14] In *Acushnet Company v Metro Golf Manufacturing Sdn Bhd* [2006] MLJU 412; [2006] 7 CLJ 557, Justice Ramly Ali (now FCJ) held as follows at p 576E:

[50] The law grants the plaintiff (being the registered proprietor) the exclusive right to use the mark and there is no exception in this. The plaintiff enjoys a monopoly to the use of the mark 'TITLEIST' since it was registered in accordance with the Trade Marks Act 1976.

[15] For the purpose of trademark infringement, the issue here is whether the defendants' uses of a mark which is identical to the plaintiff's registered trademark 'FERTI' or so nearly resembling it as is likely to deceive or cause

- A confusion. The word ‘use’ is defined in s 3(2) of the TMA 1976 to include use of the word mark in printed or other visual representation of the mark in addition to the goods itself.
- B [16] Based on the decision in *Tohtonku*, as long as the same or identical trademark is used, infringement is proved or deemed established under s 38(1)(a) of the TMA 1976. The plaintiff need not go one step further to prove likelihood of confusion or similarities between the marks.
- C [17] Having considered the evidence before this court, I am of the considered opinion that the defendants have used the word mark ‘Ferti’ on and in relation to their fertiliser products. The defendants have used the same word ‘FERTI’ on the same goods (fertilisers) and in the same trade, which is fertiliser business. I also find that that the defendants have used the word mark ‘FERTI’
- D in relation to their advertising and promotional material for their fertiliser goods and business. Therefore, I find that the plaintiff’s registered trademark ‘FERTI’ has been used by the defendants, and this amounts to trademark infringement.
- E [18] However, it is the submission of the defendants that ‘FERTI’ is a common word used by everyone in the fertiliser industry and business to describe fertilisers in the fertiliser business and industry. Therefore, the defendants submit that since the word ‘Ferti’ is so *commonly used* in the
- F fertiliser industry and fertiliser business, then everyone including the defendants are therefore entitle to use the word ‘Ferti’.
- G [19] On the issue of whether a word or a mark is common or not was considered in the case of *Boord and Son v Thom and Cameron Ltd* (1907) 24 RPC 697. At p 716, the court held that:
If you show a *large number of people have all been using the same mark*, then it becomes a practical impossibility to say that the mark was associated with any one person’s goods’. (Emphasis added.)
- H [20] Similarly, in the case of *Ford v Foster* (1872) LR 7 Ch App 611, the courts had to consider whether the word mark in question has become common (*publici juris*) or in common use so that everyone has a right to use it. The court (Sir WM James LJ) dismissed such an argument in that case because the defendants had failed to show that the word mark is in universal use or has
- I become so public. At p 628, the court held that:
Then what is the test by which a decision is to be arrived at whether a word which was originally a trade mark has become *publici juris*? ... *If the mark has come to be so public and in such universal use* ... (Emphasis added.)

[21] Therefore, the onus is on the defendants to show that the word 'Ferti' has become so public, in that a large number of people have all been using the same mark, 'Ferti'.

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[22] Having considered the evidence, I find that the defendants have failed to establish that word 'Ferti' has become so public that a large number of people have all been using the same mark, 'Ferti' in respect of fertilisers. The defendants have relied on and referred to the Malaysia Agribusiness Directory. There are hundreds of fertiliser companies and business listed in the said directories, but the use of the word 'Ferti' is neither common nor widespread in the fertiliser industry and business. The defendants only managed to refer to one instance of usage of the word 'Ferti' by a company called Fertitrade Malaysia Sdn Bhd. Surely an instance of use of 'Ferti' cannot be equated with 'common' or 'widespread use' by everyone.

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[23] Added to that, the defendants was also not able to show by evidence (by invoices or delivery orders) how extensive is the use of the word mark 'Ferti' by Fertitrade (M) Sdn Bhd. The defendants could have called Fertitrade (M) Sdn Bhd to attend court as a witness and produce the relevant figures and evidentiary documents, but failed to do so.

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[24] It is also the submission of the defendants that apart from their use of the word mark 'Ferti' they have also added the words 'Metronic' and the 'device of stars' or asterisks before and after the word mark 'FERTI' (ie *FERTI 99* or *FERTI 100* or *FERTI 101*).

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[25] However, the same argument has been dismissed by the Court of Appeal in the case of *Sinma Medical Products (M) Sdn Bhd v Yomeishu Seizo Co Ltd & Ors* [2004] 4 MLJ 358; [2004] 3 CLJ 815. In *Sinma Medical Products*, the registered trademark is 'Yomeishu' but the defendants added the words 'Chung Kok' into the word 'Yomeishu' becoming 'Chung Kok Yomeishu'. The court held at p 371 (MLJ); pp 831/h–832/a (CLJ):

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Therefore, the appellant is not permitted to name its product merely by adding two characters ... to precede the three characters. If the appellant is permitted to do so, then this would be akin to a trader attempting to pass off his drink by calling it 'Malaysian' Coca Cola in a foreign script, like Jawi. Surely, in such event, the proprietor of the registered trade mark of Coca Cola would be entitled to permanent injunctions ... if that were attempted under Malaysian law.

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Passing off

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[26] The plaintiff's second claim is premised on the tort of passing off. The Court of Appeal in the case of *Ho Tack Sien & Ors v Rotta Research Laboratory SpA & Anor* [2012] MLJU 1192; [2012] 8 CLJ 645 has applied

- A the House of Lord decision in *Reckitt and Colman Products Ltd v Borden Inc and others* [1990] 1 All ER 873, where it was held that in order to establish an action for passing off, the plaintiff must prove the following:
- B (a) that he has sufficient reputation or goodwill in the mark, trademark, get up or other indicia in question under which his particular goods or services or offered to the public;
- C (b) he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to belief that goods or services offered by him are the goods services of the plaintiff; and
- D (c) he must demonstrate that he suffers or had suffered or is likely to suffer damage or injury to his business or goodwill by reason of the erroneous belief and engendered by the defendant's misrepresentation that the source of the defendant's good or services is the same of the source offered by the plaintiff.

The plaintiff's goodwill

- E [27] The first element is for the plaintiff to establish its goodwill. Goodwill is the property in the business and is likely to be injured by the misrepresentation (*AG Spalding Brothers v AW Gamage Ltd* (1915) 32 RPC 273).
- F [28] In *The Commissioners of Inland Revenue v Muller & Co's Margarine, Limited* [1901] AC 217, it was held by Lord Macnaghten at p 223 that 'Goodwill' may be defined as the 'benefit and advantage of the good name, reputation and connection with a business, whether it is a business that provides services or manufactures and/or distributes certain products. In other words, goodwill is the attractive force that brings in custom'.
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- H [29] In the present case, I find that the plaintiff has the necessary goodwill and reputation. The plaintiff has been trading, distributing, supplying, offering for sale and selling its FERTI trademarked fertiliser goods for the past 32 years since 1983. Sales have been extensive and from 1990–2013, the sales of FERTI trademarked goods have reached RM25m.
- I [30] Added to that, the plaintiff's FERTI advertisements and promotional materials appears, inter alia, in national newspapers, in exhibitions, on labels, posters, stickers, leaflets, decorative boxes, pamphlets, packaging which are all directed to the Malaysian consumer and customers such as in *Wanita, Sin Sheng*

Huo Poh, Sin Chew Jit Poh (Sin Chew Daily), in the Horticulture Fair in Singapore and in the Pameran Pertanian in Malaysia. A

Misrepresentation

[31] Misrepresentation is an essential element of passing off. In *Reckitt and Colman Products Ltd v Borden Inc and others* [1990] 1 All ER 873, Lord Oliver held as follows: B

Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether intentional or not) leading or likely to lead the public to believe that the goods or services offered by him are the goods or services of the claimant ... C

[32] In *Sinma Medical Products*, the Court of Appeal held as follows:

... It is clear from the authorities that a case in passing off would be established if the likelihood of deception is proved. In other words, proving actual deception is not necessary ... *The question whether the matter complained of amounts to a misrepresentation is a matter for the judge to be decided not just by evidence of confusion but on the assessment of the totality of the evidence before the court.* D

[33] From the evidence before this court, I find that the defendants' fertiliser products bear the word mark 'Ferti'. The defendants' advertisements and promotional materials also bear the word mark 'Ferti', as can be seen from newspapers, *Sin Chew Daily* and in the magazine AGRI FARM, November 2013 edition. Therefore, there is misrepresentation by the defendants when they used the work mark 'Ferti', which is identical to the plaintiff's registered trademark. E F

[34] Next, the plaintiff must also show confusion, as a result of the misrepresentation. The confusion must arise because of an association with the plaintiff's business and there is likely damage to the plaintiff's goodwill. As Chadwick LJ said in *Premier Luggage and Bags Ltd v Premier Co (UK) Ltd and another* [2002] EWCA Civ 387: G

The relevant question, in the context of a passing off action, is not whether there is a risk of confusion because of the defendant's name is similar to the plaintiff's name; the relevant question is whether the defendant's use of his name in connection with his goods or his business are, or have some connection with, the goods or the business of the plaintiff—so giving rise to harm, or the risk of harm, to the goodwill and reputation which the plaintiff is entitled to protect ... H

[35] There is also no requirement to establish actual confusion, likelihood of confusion is sufficient. The Court of Appeal in *Sinma Medical Products* said at I

A p 371 (MLJ); p 831/e (CLJ):

It is clear from the authorities that a case in passing off would be established if the likelihood of deception is proved. In other words, proving actual confusion is not necessary (see *Kerly's Law of Trade Marks and Trade Names* (13th Ed) at p 619).

B [36] In the present case, the parties goods are in direct competition as both parties are selling the same product, (fertilisers) and target the same customers. In *Leo Pharmaceutical Products Ltd A/S (Lovens kemiske Fabrik Produktionsaktieselskab) v Kotra Pharma (M) Sdn Bhd* [2009] 5 MLJ 703, the court held that:

C Where the parties' goods or service are in direct competition with each other, only a small degree of similarity is required to establish the likelihood of confusion.

D [37] I am therefore of the considered opinion that the use of the word mark 'Ferti' by the defendants have created likelihood of confusion and deception to the customers because it gives the false impression that the defendants is the registered owner of the Ferti brand/trademark or that the defendants is the lawful users of the plaintiff's registered Ferti trademark or that the defendants are the distributors or supplier appointed by the plaintiff to distribute, offer for sale and sell the plaintiff's Ferti branded fertilisers. Likelihood of confusion also occurs because people will somewhat think that the defendants and their fertiliser products using Ferti are somewhat associated or connected with the plaintiff.

F [38] The defendants' use of 'Ferti' on its fertiliser products and advertisements has also created confusing and false impression. Fertiliser customers and consumers have been placed under the confusing and false impression that the defendants' Ferti products are the plaintiff's Ferti branded fertilisers and that the plaintiff is selling its original Ferti branded fertilisers through the defendants. Customers and consumers of fertilisers have also been placed into a false and mistaken impression by the defendants through the defendants' Ferti advertisements that the defendants' Ferti branded fertilisers have been manufactured by the plaintiff and that the plaintiff has entered into a joint venture business with the defendants to manufacture the Ferti branded fertilisers.

Damage

I [39] The last element in the tort of passing off is damages. In *Reckitt & Colman Products Ltd v Borden Inc and others* [1990] 1 WLR 491, Lord Olliver held that:

He must demonstrate that he suffers or, in a *quia timet* action, that he is likely to suffer damages by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the plaintiff.

A

[40] In *Seet Chuan Seng & Anor v Tee Yih Jia Foods Manufacturing Pte Ltd* [1994] 2 MLJ 770; [1994] 3 CLJ 7, the Supreme Court held that:

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In an action for passing off, damage is also an essential element of the tort and it is necessary for the plaintiff to establish that he has suffered damage. However, *if the goods in question, as in this case, are in direct competition with one another, the court will readily infer the likelihood of damage to the plaintiff's goodwill through loss of sales and loss of exclusive use of the name.* (Emphasis added.)

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[41] Similarly in the case of *Sinma Medical Products*, the Court of Appeal held that:

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It is also a prerequisite that the said misrepresentation had deceived or is likely to deceive and that the respondents are likely to suffer damage by such deception (*The Law of Passing-Off Unfair Competition by Misrepresentation* by Christopher Wadlow, 3rd Ed, p 294). *But where the products are the same or similar, as in this case, damage is readily inferred* (see *Chuan Seng & Anor; JC Eno, Ltd*). (Emphasis added.)

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[42] In the present case, it is not in dispute that the defendants and the plaintiff are in competition with one another, therefore damages are readily inferred. Both the plaintiff and the defendants are involved in the same trade and business, namely fertiliser trade and business. It is also not in dispute that both the plaintiff and the defendant are selling the same product that is fertilisers. In fact both the defendants and the plaintiff are selling Ferti branded fertilisers which are the same category of product, namely organic or green technology fertiliser. And finally, both the plaintiff's and the defendants' fertiliser uses the same word mark, 'Ferti'.

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[43] However, the defendants submit that their fertilisers are sold in 50kg to estates whereas the plaintiff's fertilisers are sold in 20kg and are for nursery use. I am of the considered opinion and I agree with the plaintiff that there is no real distinction as the plaintiff, *Hew Chai Seng* has given evidence that his fertiliser products are also used in rubber and palm oil estates and plantations and that he will also supply his Ferti branded fertilisers in 50kg bags if his palm oil and rubber estates and plantations customers ordered fertilisers from him.

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[44] Therefore, premised on the reasons enumerated above, I am of the considered opinion that the plaintiff has established his claim on passing off against the defendants on the balance of probabilities.

I

A *Unlawful interference*

[45] The plaintiff's third cause of action against the defendants is for the tort of unlawful interference with the plaintiff's trade and business. In view of my finding that the defendants have committed trademark infringement and passing off, then the defendants have unlawfully interfered with the plaintiff's trade and business.

B

[46] In the case of *Megnaway Enterprise Sdn Bhd v Soon Lian Hock (sole proprietor of the firm Performance Audio & Car Accessories Enterprise)* [2009] 3 MLJ 525; [2009] 8 CLJ 130 the court held that there was copyright infringement by the defendant and hence there is unlawful interference with trade and business. The court held that copyright infringement being an unlawful act amounts to an unlawful interference with trade. The court held at p 538 (MLJ); p 145A–F (CLJ):

C

D

[49] Although unlawful interference with trade is a developing tort and of uncertain ambit, its existence is beyond doubt and certain of its features are clearly defined. In *H & R Johnson (Malaysia) Bhd v H & R Johnson Tiles Limited & Anor.* [1995] 2 CLJ 581 at p 593, Zakaria Yatim (later FCJ), citing authorities, said:

E

... *If one person deliberately interferes with the trade or business of another, and does so by unlawful means, that is, by an act which he is not at liberty to commit, then he is acting unlawfully*, even though he does not procure or induce any actual breach of contract: *Torquay Hotel Co Ltd v Cousins & Ors* [1969] 2 Ch 106, at p 139 per Lord Denning MR.

F

[50] By selling, offering for sale and distributing an anti-theft system which is infringing the plaintiff's copyright, the defendant has interfered with the plaintiff's trade.

G

[51] The unlawful means employed here is the act of selling, offering for sale and distribution an infringing copy of the plaintiff's anti-theft system.

[52] As a result of the defendant's unlawful interference with the plaintiff's trade, the plaintiff's goodwill and reputation have been injured with direct and indirect negative consequence on the plaintiff's sales.

H

[53] In the circumstances, I find that the defendant is liable to the plaintiff for the tort of unlawful interference with the plaintiff's trade or business. (Emphasis added.)

I

[47] In the premise, I find that the defendants have therefore committed the tort of unlawful interference with trade and commerce of the plaintiff.

CONCLUSIONS

[48] Premised on the reasons enumerated above, I am of the considered opinion that the plaintiff has established his case on the balance of probability and the plaintiff's claim is allowed with costs.

Plaintiff's claim allowed with costs.

Reported by Dzulqarnain Ab Fatar

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